



State Senator **NANCY CASSIS** *E-NEWS UPDATE*

Economists: lower taxes mean more jobs

As you know, for the last two months, the Senate Finance Committee and House Tax Policy Committee have gone around the state hearing testimony regarding the governor's proposal to restructure the Single Business Tax (SBT). So far, the joint committee has been to Lansing, Grand Rapids, Traverse City, Kalamazoo, Saginaw and Troy. There is one joint hearing yet to take place, however, I wanted to provide a quick update.

According to testimony given last week, Michigan's resurrection as an economic powerhouse depends on reducing business taxes and allowing the entrepreneurial spirit of individuals to thrive.

Economists and manufacturing representatives all testified that reducing or eliminating the SBT and the tangible personal property tax is the best way to increase business investment and create jobs. I was the sponsor of the law that eliminates this tax. Furthermore, history has shown that government does not create jobs – businesses and people do. Allowing individuals to use their own initiative and enterprise yields better results.

Recently, Richard Vedder, distinguished professor of economics at Ohio University, testified that there is extensive evidence to suggest that if the state reduces the tax burden it will experience economic growth.

As we near the end of our hearings, we can assess that this is a proposal that shifts the tax burden away from the ailing manufacturing sector onto growing sectors. Helping manufacturers also can include broad based tax relief for all and should avoid picking winners and losers. This approach may very well stimulate Michigan's economy, create much needed jobs and give our state a competitive edge.

One thing is clear – the responsibility before the Legislature is to learn from what we have heard and create a plan that will benefit Michigan today, tomorrow and into the future. As taxpayers, you deserve nothing less. We must come together to find common ground and put Michigan back to work.

Please e-mail me your thoughts and comments.

Contact Information:

The E-News Update by Senator Nancy Cassis is designed to provide residents and organizations with a periodic update of my activity in Lansing. If you have any questions or do not wish to receive this e-mail, please contact my office.

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